survey works are proposed to be taken up in 1113, provision is made for the opening of a special survey class and for the continuance of the present temporary Survey School, Kottayam.

14. *Income Tax Department.*—It is considered urgently necessary to arrange for a thorough overhaul and re-organisation of the Income Tax Department, in consequence of the recent amendments to the Regulation and for the purpose of improving the procedure followed and tightening up the control in regard to assessment and collection of the tax so as to minimise the chances of considerable leakages of revenue and to counteract clever ruses evidently adopted at present to evade payment in several cases. With a view therefore to examine the working of the department, to suggest measures for improvement and to effect a thorough re-organisation, it is proposed to obtain the services of an experienced Income Tax Officer from British India for a period of 6 months on a pay of Rs 600 per mensem. The two temporary Income tax Collectors at Trivandrum and Alleppey are also proposed to be continued during the coming year. A provision of about Rs 14,500 has accordingly been made in the budget for the above purposes. It is also proposed to put on special duty one of our Senior Revenue Officers to conduct the work of the Department under the general supervision of the Land Revenue Commissioner.

15. *Excise.*—It is essential to launch on a continuous, systematic, and determined drive against the smuggling of tobacco that is being undoubtedly carried on in the Northern Frontiers of this State, and that is depriving the State of considerable legitimate revenue estimated at between 10 to 20 lakhs of rupees. The smuggling has become of late the regular business of well organised gangs of unscrupulous characters who appear to be backed up from behind the screen by apparently respectable capitalists. The extent of the malpractices now resorted to is evident from the figures of tobacco consumption near the Frontier and at a distance from the Frontier. For instance the average annual consumption of tobacco per head at Parur is about 2 lbs, while at Nagercoil it is about 10 lbs. As a result of the prevailing economic depression, the ranks of the gangs of smugglers have swelled considerably and their nefarious transactions have become more extensive. The inevitable consequence of the increased activities of the smugglers is the marked fall in the consumption of duty-paid tobacco. This is evident from the fact that the quantity consumed during 1111 has gone much below the quantity consumed during the year 1103. The

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[Rao Bahadur A. Rangaswami Aiyar.]

budget for the next year includes a provision of Rs 1,12,371 for the purpose of increasing the staff of Inspectors, Petty Officers and Peons in the Excise Department and for the pay of the Reserve Police posted at the Frontier, sufficient to check the activities of the smugglers. The campaign may have to be conducted persistently for several years and the whole-hearted co-operation of the Legislature and the public is required for any perceptible effect to be reflected in the Excise returns.

Provision is also made for the staff necessary for the Customs Houses and Preventive Stations for the Anjengo and Thangacherry Frontiers in consequence of the decision of this Government and the Government of Madras to discontinue from 1st July 1937 the system of leasing to this Government the Abkari and Opium revenues of those places and to take up the work of collection themselves.

16. *Forests.*—Provision has been made for the continuance of the temporary staff dealing with the Kudivila claims on royal trees removed from private lands and for the purchase of a Jolly boat and the construction of a picnic shed of wood at the Game Sanctuary and for the continuance of the Officer on special duty for the preparation and issue of a comprehensive work on the Hill Tribes and primitive communities in Travancore.

17. *Stamps.*—In commemoration of the eventful Temple Entry Proclamation dated 27th Thulam 1112, Temple Entry Anchal Stamps of the denominations of 3 chackrams, $1\frac{1}{2}$ chackrams, 12 cash and 6 cash, of a pictorial design, bearing the effigy of His Highness the Maha Raja and pictures of important temples, were issued during the year. They have been popular and stamps to the value of Rs 20,000 are expected to be sold during the current year.

18. *Interest and Sinking Fund.*—Provision has been made for payment of interest amounting to Rs 1·78 lakhs for a full year on the $3\frac{1}{2}$ per cent Government Loan, 1956, in the budget estimates for 1113.

The question regarding provision to be made for Sinking Fund for the $3\frac{1}{2}$ per cent Loan, 1956, referred to in para 9 of my budget speech for last year, was further examined. The Loan was raised mainly for financing the Pallivasal Hydro-Electric Scheme, which is now in progress. Until the scheme develops

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